

## New online flash sale site for fashion in SA

Capitalising on the worldwide success of online flash sales, Elmien Smit and Karl Hammerschmidt founded an online fashion site, Runway[Sale] in May 2012.



Karl Hammerschmidt and  
Elmien Smit - entrepreneurs at  
heart.

Their goal is for the site to become the largest member's shopping club in Africa, to grow with the booming e-commerce market in South Africa and rival the uptake and adoption of international private shopping clubs. Working with a small focused team and with invaluable support and advice from mentors within the retail and online environment, it has exceeded expectations with its rapid growth and success.

Both are entrepreneurs at heart and have worked together since they were students, starting with several small advertising ventures and online businesses. Runway[Sale] was conceived while they were living and working in Australia. Their combined experience has allowed them to deliver an excellent flash sale site that gives South African consumers access to premium brands at exclusive prices.

### Overcoming culture resistance

The site is well positioned to take advantage of the growing online retail market at a time in South Africa when broadband is rapidly becoming accessible and affordable for consumers.

Problems encountered within the local market include connectivity issues and an unreliable postal system. South Africa has never really had a catalogue shopping culture and that is effectively what online shopping - so educating and reassuring the consumer and outstanding customer service is key to their approach. Another challenge it has faced is convincing a conservative market of local off-line retailers of the benefits using online channels.

However, this environment has allowed them to develop the business ahead of others and become innovators in the country. The site has been successful, with rapid growth over the year with more brands coming on board and strategic partnerships in development.

### Retail flair, online expertise

Smit comes from a retail background, having worked for Woolworths in merchandising and sourcing. She left Woolworths to pursue her first online venture, a fashion comparison site LadyCompShop, which continued to run following a move to Australia, while studying for a degree in Business Administration.

Hammerschmidt's background is firmly rooted in the online world, having worked at Clicks2Customers while studying for his B Comm in Finance, first as an intern and then working free every Friday to get his foot in the door. He joined the company full time after graduation and was awarded employee of the year in his first year. In his second year, he was offered the opportunity to relocate to Australia to start up its new office, where he consulted on the digital strategy for the biggest private shopping club in Australia, New Zealand and South East Asia.

When he was offered a new role heading up a division in South Africa, the pair began researching the market for the South African market. On their return to South Africa at the beginning of 2012, they started designing the site with a development agency and by February had secured an investor and mentor in Michael Leeman. With him on board, offering his invaluable network and strategic support, they set a launch date. In April 2012, Hammerschmidt took the decision to leave the company to work on Runway[Sale] full time.

He says his experience in Australia was invaluable, having worked on several large online companies that were rapidly overtaking more conservative businesses that refused to adopt online as a core strategy.

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